

## ORDINANCE NO. 2015-29

### Amend Personnel Ordinance HR0640, Health Insurance, to comply with State Health plan requirements regarding voluntary health insurance cancellations

#### Executive Summary

Prior to changes in Section 125 of the Internal Revenue Code (IRC), the County allowed employees to voluntarily cancel health insurance coverage at any time. However, recent regulation changes to the IRC prohibit employees from voluntarily cancelling coverage except in certain circumstances. The Department of Employee Trust Funds (ETF), which manages the Wisconsin Public Employers Group Health Insurance Plan (the State Plan), has also amended its administrative procedures to comply with the Section 125 IRC changes. On December 15, 2015, the Human Resources Committee reviewed the aforementioned regulations and is recommending to amend the County Personnel Ordinance to comply with ETF procedures and Section 125 of the Internal Revenue Code.

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WHEREAS, Jefferson County participates in the Wisconsin Public Employers Group Health Insurance Plan, which is regulated by the Department of Employee Trust Funds (ETF), and

WHEREAS, ETF has made recent procedural changes relating to voluntary cancellations of an individual employee health insurance contract which are in compliance with Section 125 of the Internal Revenue Code.

NOW, THEREFORE, BE IT RESOLVED that the Human Resources Committee supports and recommends the amendment of Section HR0640, Health Insurance, to comply with ETF and the IRC regarding voluntary health insurance cancellations.

THE COUNTY BOARD OF SUPERVISORS OF JEFFERSON COUNTY DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Section HR0640, Health Insurance, is amended as follows:

#### **HR0640 HEALTH INSURANCE**

- H. If an employee's premium contribution is deducted on a pre-tax basis, under Section 125 of the Internal Revenue Code, the employee can voluntarily cancel coverage only in the following circumstances:
1. Employee moves from the service area
  2. Employee is on an unpaid leave of absence
  3. Spouse-to-spouse or dependent partner-to-dependent partner transfer (insurance contract is being switched from one spouse/dependent partner to the other, where both employees are employed by the County)
  4. Employee premium contribution has increased significantly (the County's share of the premium contribution decreases by at least 5% and the employee share increases)

5. Employee AND all dependents become eligible for and enroll in other group coverage (documentation is required)
6. Annual It's Your Choice Open Enrollment period

If an employee's premium contribution is deducted on a post-tax basis, the employee may cancel coverage at any time throughout the calendar year.  
~~An employee can voluntarily cancel coverage at any time by submitting an application to the County.~~ The cancellation will be effective the last day of the month in which the employer receives the application or a later date as specified on the cancellation notice. Voluntary cancellation of coverage does not provide the employee and dependents an opportunity for continuation or conversion of the group coverage, and under no circumstances is a partial month's premium refunded.

Section 2. This ordinance shall be effective after passage and publication as provided by law.

*Fiscal Note: There is no fiscal impact.*

Adopted by the Jefferson County Board of Supervisors this 9th day of February 2016.

s/Jim Schroeder  
Jim Schroeder  
Chair

ATTEST:

s/Barbara A. Frank  
Barbara A. Frank, County Clerk

Published this 15th day of February 2016.

Ayes: **VOICE VOTE**    Noes\_\_\_\_\_ Abstain\_\_\_\_\_ Absent\_\_\_\_\_ Vacant\_\_\_\_\_

Requested by Human Resources Committee

02-09-16

Terri M. Palm: 12-11-15; J. Blair Ward: 01-18-16

APPROVED:                      Administrator:      bw;      Corp.      Counsel:      jbw;      Finance      Director:  
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